

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

TECUMSEH HOLDINGS CORPORATION, : 03 Civ. 5490 (SAS)

TECUMSEH TRADEVEST LLC, :

S.B. CANTOR & CO., INC., JOHN L. MILLING, :

GERARD A. McCALLION, ANTHONY M. PALOVCHIK, :

and DALE CARONE, :

Defendants, :

- and - :

TECUMSEH ALPHA FUND LP, :

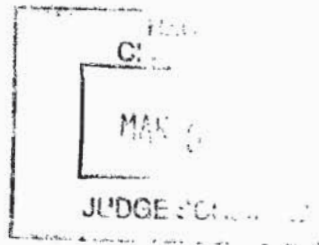
TECUMSEH ALPHA LLC, and :

STRACQ, INC., :

Relief Defendants. :

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03 Civ. 5490 (SAS)



FINAL JUDGMENT AS TO GERARD A. MCCALLION

The Securities and Exchange Commission (the "Commission") having filed a Complaint alleging as to Defendant Gerard A. McCallion ("Defendant") that he aided and abetted violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], and, as a controlling person of Defendant S.B.Cantor & Co., Inc. ("Cantor") is liable jointly and severally with and to the same extent as Cantor for its violations of Section 17(a) of the Exchange Act [15 U.S.C. § 78q(a)], and Rules 17a-3 and 17a-4 thereunder [17 C.F.R. §§ 240.17a-3 and 17a-4]; and Defendant having entered a general appearance; consented to the Court's jurisdiction over

Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are permanently restrained and enjoined from, directly or indirectly,

controlling any person who violates Section 17(a) of the Exchange Act [15 U.S.C. § 78q(a)], and Rules 17a-3 and 17a-4 thereunder [17 C.F.R. §§ 240.17a-3 and 17a-4], by failing to make and preserve those records required to be kept by every national securities exchange, member thereof, broker or dealer who transacts business in securities through the medium of any such member, registered securities association, registered broker or dealer, registered municipal securities dealer, registered securities information processor, registered transfer agent, and registered clearing agency, unless Defendant acts in good faith and does not directly or indirectly induce the act or acts constituting the violation.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently barred from participation in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall execute and deliver a release of any and all claims he may have against Tecumseh Holdings Corporation, Tecumseh Tradevest LLC, and Cantor, including without limitation any and all claims he may have arising from a Subordinated Loan Agreement for Equity Capital dated May 3, 2001 between Defendant and Cantor. Within ten (10) days after entry of this Final Judgment, Defendant shall deliver the release, in a form acceptable to the Commission staff and to the Receiver for Tecumseh Holdings Corporation, Tecumseh Tradevest

LLC, and Cantor.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$1, representing profits gained as a result of the conduct alleged in the Complaint, and a civil penalty in the amount of \$40,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$40,001 within ten (10) business days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Clerk of this Court, together with a cover letter identifying Gerard McCallion as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the

United States.

The Commission may by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

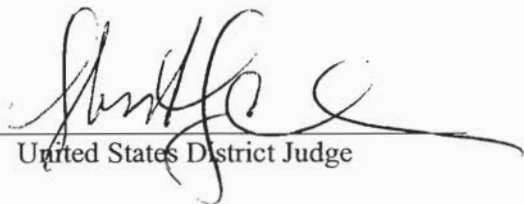
VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for purposes of enforcing the terms of this Final Judgment.

VIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: March 9, 2009


United States District Judge

16. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: Dec 2, 2008

Gerard A. McCallion
Gerard A. McCallion

On Dec. 2, 2008, Gerard A. McCallion, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

Judith Janon
Notary Public
Commission expires:

Approved as to form:

Howard Wilson

Howard Wilson, Esq.
Proskauer Rose, LLP
1585 Broadway
New York, NY 10036
Attorney for Defendant Gerard A. McCallion

JUDITH JANON
Notary Public, State of New York
No. 41-4830261
Qualified in Nassau County
Commission Expires April 30, 20 10